

DEPARTMENT OF FINANCE AND ADMINISTRATION  
POLICY STATEMENT 18  
JOURNAL VOUCHERS - TYPE J

Introduction

1. Journal voucher transactions (Type J) serve the purpose of recording expense/expenditure and revenue transactions between state agencies and departments. The journal voucher billing and revenue process includes grants, grant contracts, reimbursement of fees for services or goods provided, revenue payments and capital projects expenditures.
2. Because journal voucher transactions are integral to the daily functioning of state government, this policy statement is designed to systematize the JV process. In many instances, the JV process also has an effect upon the receipt of federal funds. This policy statement is also being instituted to facilitate the state's compliance with the Cash Management Improvement Act of 1990.
3. Direct bill journal vouchers (Type I) will be developed in coordination with the Division of Accounts. This involves journal vouchers which are not approved in advance by the paying agency, but are processed by the Division of Accounts and then sent to the appropriate agency for review. Any changes to the existing direct bill journal vouchers should be approved by the Director of Accounts.

Definitions

Billing Department - Issues bills following the provision of services or products. Generally this department recognizes revenue.

Paying Department - Pays bills for the receipt of services or products. Generally this department recognizes expense/expenditure.

Applicability And Effective Date

4. All state departments, agencies, boards and commissions (referred to in this policy statement as "departments") are required to comply with this policy statement, effective upon issuance.

### Billing Policy Guidelines

5. Billing departments should initiate journal voucher billings as quickly as possible after expenses/ expenditures occur, according to the following guidelines:
  - A. If the total billing for a single department within a fiscal year is less than \$100.00, that department at its option may forgo the billing. Implementation of this option may be based upon the discretion of the billing department head. If the billing department head does not choose to forgo billing of small amounts, step # B should be followed.
  - B. Billing for less than \$ 2,500.00 should be held until cumulative billings for a quarter total \$ 2,500.00. The \$2,500.00 amount includes consolidation of billings to one department or billings that may be consolidated on one journal voucher. All billings however small (And with the exception of billings forgone referred to in Section A above) shall be billed quarterly in the month following each quarter end (i.e. billed in October for the July through September quarter).
  - C. Billings totaling \$ 2,500.01 through \$350,000.00 shall be billed at least monthly. Billings totaling more than \$ 350,000.00 shall be journal vouchered within 5 working days after the expense/expenditure is incurred or the service is rendered.
  - D. Journal voucher billings which require STARS reports for processing shall be processed within five working days of the processing date of the STARS reports.

### Paying Policy Guidelines

6. Journal vouchers received by the paying agencies totaling \$ 2,500.01 through \$ 350,000.00 shall be processed, completed, entered into STARS and sent to the Division of Accounts or returned with questions to the billing department within (5) working days of the receipt of the journal voucher.

7. Paying departments that initiate the journal voucher shall hold billings until the cumulative total is \$2,500.00. The \$2,500.00 amount includes consolidation of billings to one department or billings that may be consolidated on one journal voucher. Generally paying departments do not initiate journal vouchers, an exception is when the paying department is the only agency with the information. For instance, the Department of Environment and Conservation initiates the journal voucher to pay sales tax; the Department of Revenue does not have the information to determine how much to bill. Regardless of the amount, all billings shall be billed in the month following each quarter end in which the activity occurred.

#### General Guidelines & Exceptions

8. All journal vouchers shall be processed (or returned with questions) by the Division of Accounts within (3) working days after receipt.
9. State statute or contract specifications will take priority over this policy statement in situations where statute or contracts differ from this policy. All departments not adhering to the provisions of this policy for whatever reason must obtain exception permission from the Director of Accounts, by submitting a written request with detailed justification.

#### Approvals

I, David L. Manning, hereby approve of this Policy Statement 18 of the Department of Finance & Administration, and as such agree with and authorize actions necessary to implement its requirements.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
David L. Manning, Commissioner  
Department of Finance and Administration

I, William R. Snodgrass, hereby approve of this Policy Statement 18 of the Department of Finance and Administration, and as such agree with and authorize actions necessary to implement its requirements.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_  
William R. Snodgrass, Comptroller  
Office of the Comptroller of the Treasury

